TAXI CAB LICENSING

IN THE LOWER MAINLAND OF BRITISH COLUMBIA

A REVIEW AND REPORT

BY THE

MOTOR CARRIER COMMISSION OF BRITISH COLUMBIA

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TABLE OF CONTENTS

1.	BACKGROUND	PAGE 1
2.	PUBLIC FORUM	2
3.	OBSERVATIONS ON SPECIFIC QUESTIONS	8
4.	OTHER MATTERS OF CONCERN:	
	EXPO 86	14
	VANCOUVER INTERNATIONAL AIRPORT	15
5.	CONCLUSIONS	15
6.	ACTION PROPOSED TO BE TAKEN	17

BACKGROUND

It is the duty of the Motor Carrier Commission to regulate the motor carrier industry of the Province. In this capacity, the Commission constantly monitors transportation services with regard to the public interest, quality of service, area requirements, economic conditions and special needs.

One particular aspect of that monitoring has been and continues to be the taxi cab industry and its role and function, as the Lower Mainland area of British Columbia becomes increasingly metropolitan in character.

Significant events and developments, including vast projects and undertakings such as British Columbia Place, Expo 86, Canada Place, ALRT, and completion of the huge downtown stadium, have important implications for transportation, particularly by taxi cab.

At the same time, a number of factors, not the least of which was the economic downturn, accentuated growing anomalies in taxi cab service in Greater Vancouver and from the Vancouver International Airport.

It became apparent to the Commission that it must undertake a thorough and detailed study of the taxi cab industry in the regional or metropolitan area in respect to the appropriateness of present regulatory and operational practices.

Coincidentally, the Honourable Alex V. Fraser, Minister of Transportation & Highways, formally requested the Commission to examine the matter of transportation by taxi cab in the metropolitan area, and forward its findings to him for consideration in the formulation of transportation policy by his Ministry.

The Commission decided that its own studies and field investigations should be supplemented by as wide an expression of public opinion as it could obtain. To this end, the Commission decided to convene a public forum so that all interested parties would have the opportunity to submit their views on the operational, legislative, and regulatory procedures or changes they felt would be required to ensure a first-class taxi cab service is available to the citizens and visitors in the metropolitan area of Vancouver.

PUBLIC FORUM - MAY 14 & 15, 1984.

The participation of the public in this matter was solicited through newspaper advertisements. In addition, specific invitations to present submissions at the forum were addressed to the mayors of the cities and municipalities in the Lower Mainland, trade associations, those directly engaged in the taxi cab industry, and a number of private citizens who had previously expressed some concern or interest to the Commission on this subject.

The Notice of Public Forum invited interested parties to address all aspects of the licensing of taxi cabs in the Lower Mainland, and suggested, in particular, the following matters:

1) Is there an increasing role that taxi cabs can play in providing public transportation?
2) Is there a need for more taxi cabs specifically designed to transport the handicapped?
3) Should customers in the metropolitan area be permitted to engage the services of the taxi cab of their choice?
4) Is there a need for additional taxi cab services for large and unusual public events?
5) Is there a need for luxury cabs to be available to the general public at higher rates?
6) The advantages and disadvantages of licensing taxi cabs on a metropolitan basis;
7) The areas that should be included, if taxi cabs are to be licensed on a metropolitan basis;
8) The rules and regulations that would be required if taxi cab licences are to be issued on a metropolitan basis;
9) Other matters related to the taxi cab industry as a whole.

The response was extremely gratifying, and the Commission wishes to record its appreciation to all participating, and especially to those presenting the

twenty-three thoughtful and well-articulated submissions for discussion during the public forum.
(List attached)

During the two days of proceedings, the participation of so many in questioning and responding proved to be extremely helpful to the Commission. The divergence of views expressed demonstrated clearly the complexities of the matter under consideration. The following excerpts from some of the submissions are illustrative of different views and approaches heard by the Commission:

The Vancouver Board of Trade in its position of policy urged the Motor Carrier Commission and the City of Vancouver to

> work cooperatively to resolve the issues and remove the impediments to an improved taxi system, beginning by moving with cautious steps towards a more competitive metro taxi licensing system. The first step should surely be to allow customers the freedom to call and use the taxi cab of their choice for service to and from any point in the metropolitan area.

The Greater Vancouver Hotel Employers' Association, in a brief read by Mr. Michael Kaile, made the following statement:

> We are extremely concerned that only too often

the first impression of our city and our hotels is that which our patrons gain when they enter a taxi cab at the airport, bus terminals or at the harbour's port. The taxi cabs and the taxi drivers which serve the Metropolitan Vancouver area are, in our view, an extension of the overall image which is projected by the tourism and hospitality industry as a whole. As a result, we are greatly concerned that the image which will be projected to the world will hopefully be that of a "world class city". Metropolitan Vancouver has been for some time a "world class city" and the upcoming Expo 86 will thrust Vancouver onto the world scene as has never happened before.

We hope and trust that this Commission can implement a taxi cab industry that will do credit to this city and the Province by the time that Expo 86 is ready to open its doors to the world. We submit that the quality of taxi service which is permitted to operate in Metropolitan Vancouver must be one which is compatible with and more realistically reflects the image of our hotels in particular and the hospitality industry in general. The taxi service allowed to operate must be a first class service.

Mr. George Railton, who is a taxi driver himself, expressed this view in his submission:

> As I have already indicated, the City of Vancouver taxi system is internationally acknowledged as being an excellent system. There is very little public cost incurred to operate the existing system, as the existing public and private interests are largely self-regulating and self-policing (i.e. at private rather than at public cost).
>
> It would be difficult to develop the esprit de corps, ethos or professionalism amongst drivers on a metropolitan or regional basis. This has been successfully done within the City of Vancouver. No amount of public expenditure could reasonably be made to achieve this. This level of professionalism only comes with the success and hard work of a number of generations of taxi owners, drivers and operators.

Royal City Taxi Ltd.,(Mr. D. McLean), in response to the question "Should customers in the metropolitan area be permitted to engage the services of the taxi cab of their choice?" asserted:

> We believe that enough selection is present in most communities for all but the most discriminating passenger. As we understand it, the policy of the Commission has been to discourage a monopoly situation and encourage freedom of choice.

In most instances they have succeeded.

If, however, you are asking "are taxicabs to be allowed to ignore their present motor carrier authority and accept calls from outside their licensed area", the answer is NO.

The dispersal of a taxi fleet into a much larger area is self-defeating. As calls are received from further afield, the fleet would be required to disperse in order to service a broader area with a subsequent increase in dead miles and a longer response time. Trips do not come at convenient times when cabs are handy, nor do they always return the cab to its customary territory. They all too often require the dispatching of a cab from the home base to an outlying location for a short trip or perhaps a destination even further afield. This would have the effect of lowering the income per mile, with the result that a fleet following this practice would have to charge higher rates.

The taxi cab industry is one that ekes out a living on small margins. This includes all branches of the industry including "luxury" cabs. To operate at a profit a taxi must:

1) handle a large volume of trips; and
2) must function at a reasonable income per mile, sufficient to cover costs.

OBSERVATIONS ON SPECIFIC QUESTIONS

Based on what was learned through its own investigations and at the public forum, the Motor Carrier Commission has the following observations to make on the questions appearing in the Notice of Public Forum.

1) Is there an increasing role that taxi cabs can play in providing public transportation?

There is a growing recognition that taxi cabs can play a significant role as a planned part of mass public transportation and some of the specialized forms of mass transportation such as school bus service, particularly in low ridership areas or at times when passengers are fewer in number. Currently, some programs such as Handydart (a branch of B.C. Transit) are expanding the use of taxi cabs to provide public transportation for the handicapped. In other areas, experiments have been under way to use taxi cabs as a "feeder service" to major buslines, thus, in essence, providing a bus service at a greatly reduced investment and operating cost.

It is also obvious that when ALRT comes into service, taxi service from ALRT stations to passengers' ultimate destinations will be a significant link in the area of public transportation.

2) Is there a need for more taxi cabs specifically designed to transport the handicapped?

Taxis provide a much greater service to the handicapped than is generally recognized. Much of this service does not require special vehicles, but does require a certain degree of care and consideration on the part of taxi drivers.

It is apparent that service to individuals who are handicapped will be provided mostly by regular taxi cabs. Vancouver, however, is particularly well served in this regard, as one taxi company is operating some 30 cabs especially designed to accommodate passengers requiring the use of wheelchairs. The current use of such cabs for this purpose appears to be well below the potential which exists for this particular fleet, either for individual members of the general public or under contract to specific societies or agencies serving the handicapped.

3) Should customers in the metropolitan area be permitted to engage the services of the taxi cab of their choice?

As was anticipated, this question attracted some considerable affirmative response from members of the public participating in the forum and/or submitting written comments to the Commission. In addition, it reflected a common theme among many of the letters supporting the position of Sunshine Cabs Ltd. It should be noted, however, that the degree of choice is not quite

as limited as it might at first appear. There are five major Vancouver taxi companies, each of which is competing for business originating in Vancouver. Residents of the North Shore have a choice of two principal taxi firms which compete for business originating in that area. In other sections of the Lower Mainland, certain cab companies jointly serve municipalities or parts of adjoining municipalities. It should also be noted that there is no limitation on the destination of cabs from any area. The only limitation applies to what might be classed as "business originating in another municipality or licensed area".

In addition, the airport is a special case. All cabs are free to deliver passengers to the airport, but for business originating at the airport, a specific licence is required both from the Motor Carrier Commission and from Transport Canada which administers the International Airport.

4) Is there a need for additional taxi cab services for large and unusual public events?

Examination of this question related in large part to services for events taking place at the PNE, the stadium at B.C. Place, or other locations which might attract extremely large numbers of people, particularly in the Greater Vancouver area. Representatives of taxi

companies in business in places other than Vancouver plead that they should be entitled to serve the residents of their own areas who might be attending those special events, as well as participating in the general increased business which such events generate.

Further study revealed that the use of cabs from outlying areas for major events in the City of Vancouver and return to outlying areas is, and will continue to be, quite limited because of the cost involved. There is also a shortage of adequate parking places to handle large numbers of cabs at many of the central entertainment areas; for example, the Stadium at B.C. Place, it is understood, has only provided parking for 48 cabs, and traffic conditions immediately after an event ends make it virtually impossible to replace this number as they are dispatched. It should be noted that the Commission has had few complaints or experiences related to it which would indicate lack of service at events at the PNE, B.C. Place, major transportation depots, hotels or theatres.

5) Is there a need for luxury cabs to be available to the general public at higher rates?

The concept obviously has popular appeal. The idea of riding in a superior class automobile and receiving above-average personal attention and service from the driver is attractive to many people. It is

apparent that Sunshine Cabs Ltd. worked hard to make sure that the Commission was provided with a considerable amount of written support favouring this idea, and there is no doubt that this company has provided a first-class service in the district it serves. The area in which there is considerable doubt, however, is the extent to which the public is prepared to accept a significantly higher rate for such a service. Comments were made to the Commission during the forum that Sunshine Cabs had not been in operation long enough to determine whether the modestly higher rate structure under which they were operating in competition with other firms on the North Shore was, in fact, adequate to ensure fleet replacement and other requirements relating to a very high level of quality service and equipment. It also became evident during the discussions that personal service was the greatest factor in such a "luxury service", as vehicles are being downsized, and as far as luxury is concerned, depend on interior decor and features rather than on more space and greater comfort for passengers.

6) The advantages and disadvantages of licensing taxi cabs on a metropolitan basis.

This question created more direct and recognizable divergence of opinion than any other before the Commission. Taxi companies licensed by the City of

Vancouver directly opposed a move towards metropolitan licensing. Taxi companies in contiguous municipalities generally advanced the view that the expansion should be fairly limited, involving only a few of those areas. Taxi companies from further afield were much more interested in having the Vancouver market opened to all. Although metropolitan licensing appears on the surface to be a very neat, attractive and simplistic solution to a very complex problem, certain extremely troublesome questions remain unanswered. For example:

i) Will service in outlying municipalities which are now well served deteriorate as drivers seek to spend their time in more densely populated areas?

ii) Can such a system really work efficiently without a central dispatch system; or without such a system, will the number of deadhead miles, which now are used as an argument in favour of such licensing, actually increase?

7) The areas that should be included, if taxi cabs are to be licensed on a metropolitan basis.

The Commission has received suggestions which contain such wide variations as Vancouver to Hope, Vancouver and the North Shore and Burnaby, and the Greater Vancouver Regional District.

8) The rules and regulations that would be required if taxi cab licences are to be issued on a metropolitan basis.

This question embraces such difficult matters as the feasibility of a single tariff rate for all companies operating in the metropolitan area, methods of enforcing adequate service to home regions, a common insurance rate for all taxi cabs operating in such a region, and a restructuring of airport service and regulations.

OTHER MATTERS OF CONCERN

EXPO 86

Expo 86, a world class fair expected to attract between 16 and 20 million visitors, is extremely important to the economy of the City and the Province. It will pose special problems and place a significant strain on many facilities and services, including transportation. In the area of taxi cab service, a special program and regulations will be required. The full co-operation of all concerned, e.g. the taxi cab industry, municipal authorities and regulatory and enforcement agencies, will be needed. Fortunately, this is apparent to all interested parties and there is adequate time available to prepare and put into place the "Expo Package" which is essential to ensure good taxi cab service in time for Expo.

VANCOUVER INTERNATIONAL AIRPORT

Taxi cab service from the Vancouver International Airport is an extremely important element in the overall image portrayed to visitors, many of whom arrive by air.

Currently, although there is a sufficient number of taxi cabs operating at the airport to provide a prompt service, that service is not entirely free of problems.

Of some concern to the Commission is the variation in meter rates charged by the various companies serving the airport. This situation arises because taxi rates, which are determined by a number of factors, such as population densities, types of road travelled, and overhead, vary from area to area. Thus, at the present time, passengers may be charged different meter rates for exactly the same service, depending on whether the particular taxi engaged is based in Vancouver, Burnaby or Surrey. This situation is both confusing and annoying to regular visitors and residents alike, and must be dealt with.

CONCLUSIONS

1. In comparison with the general North American standard of taxi cab service, the metropolitan area of the Lower Mainland is reasonably well served at the present time.

2. While the licensing of taxi cabs on a metropolitan basis appears to be a desirable objective, it is premature.

3. Certain actions should be instituted to reduce or remove those barriers which prevent taxi cab companies from providing a more complete service to their regular customers.

4. The present anomaly of a variety of taxi cab rates for service from the Vancouver International Airport should be eliminated.

5. The case for special consideration for a "luxury" taxi cab service is not compelling. The experience in North and West Vancouver has been, in fact, that Sunshine Cabs Ltd. has not catered to a special market, but has instead provided a competitive, albeit an excellent, service to the general public.

   The experience in Victoria, B.C., of Empress Transportation Ltd. (admitted by the general manager of Sunshine Cabs Ltd. to be somewhat of a model in developing a luxury-type service) is not supportive of the concept.

6. The proposal of the airport authorities to establish a special luxury service by way of a limousine and/or a similar superior vehicle is commendable, and may well provide the opportunity to serve and broaden a special or selective market.

7. There is no compelling evidence that there are significant deficiencies in the taxi service provided for special entertainment or sports events.

8. Further work required to develop an effective plan to cope with the demands for taxi cab service created by Expo 86 must be proceeded with promptly.

9. There is a major service and economic role that taxi cabs can play in serving the handicapped, and in supplementing mass public transit. The taxi industry, transit authorities, and social service planners should be co-operatively engaged in continuing discussions to properly maximise that contributory role.

ACTION PROPOSED TO BE TAKEN

a) The Commission proposes to take the steps necessary to modify the interpretation of the word "originating" as it applies to the regulation of taxi cabs in this province, which was established in a Commission Order dated July, 1974, so as to enable taxi cabs, under certain specific conditions, to pick up passengers in areas which heretofore they have been unable to serve legally.

It is anticipated that the relaxation of the established rules for the pick-up of passengers will introduce a

new competitive factor into the existing market which may well have a tendency to enhance standards of quality and service and eliminate the annoying necessity of a taxi company referring a request for service from its customer to another company in order to accommodate that customer. Taxi companies will, therefore, be in a position to give a more complete service to their customers.

b) The Commission proposes, through a consultative process, to establish a uniform level of rates that may be charged by taxi cabs picking up passengers at the Vancouver International Airport. Once agreement is reached on the fares required, only those taxi companies which agree to charge those rates will be licensed by the Commission to provide service from the airport.

The Commission expects that a high degree of co-operation and willingness to compromise will be forthcoming from the parties required to be consulted in this matter.

c) The Commission, in the near future, will convene a meeting to formulate the specific details of the planned program which will enable a comprehensive and fully satisfactory "Expo Package" for taxi service to be inaugurated.

d) The Commission will encourage the taxi industry to strive for higher levels of competence among its drivers with particular emphasis on knowledge of the routes and streets in the Lower Mainland, and customer relations and deportment.

The Commission believes that an adequate training course is essential in promoting a high level of service by the industry. It will urge the industry to establish a program or programs which will ensure adequate driver training in all aspects of good taxi cab service.

In addition, the Commission will continue to monitor the taxi industry, re-evaluate its own enforcement procedures and practices, and examine any complaints filed, with a view to raising the present standard of taxi service from good to excellent.

G. M. Morris

GERARD M. MORRIS,
CHAIRMAN.

Ian W. Craig

IAN W. CRAIG,
COMMISSIONER.

John Kosowick

JOHN KOSOWICK,
SECRETARY.

JULY, 1984

SUBMISSIONS PRESENTED AT THE PUBLIC FORUM ON TAXI LICENSING

MAY 14 & 15, 1984

1. Dr. Rich Becker
2. City of Vancouver
3. Coquitlam Taxi (1977) Ltd.
   Bel-Air Taxi (1982) Ltd.
4. Sunshine Cabs Ltd.
5. Classic Limousine Service
   Executive Limousine Service Ltd.
6. Bonny's Taxi Ltd.
7. North Shore Taxi (1966) Ltd.
8. White Rock South Surrey Taxi Ltd.
9. Mr. Geoff Langhorne
10. Vancouver Board of Trade
11. Vancouver Taxi Cab Owners' Association.
12. Canadian Paraplegic Society
13. Robson & Associates Consultants Inc.
    (Maple Ridge Taxi Ltd.)
14. Mr. Rick Rousselle
15. Mr. George Railton
16. Mr. John Oetter
17. Mr. George Heslop
18. Greater Vancouver Hotel Employers' Association
19. Vancouver International Airport
20. Consumer and Corporate Affairs, Canada
21. Canadian Organization of Small Business
22. Royal City Taxi Ltd.
23. Newton Whalley Hi Way Taxi Ltd.